**What is full cost recovery?**

Put simply, full cost recovery means securing funding for all the costs involved in running a project or delivering a service, including the relevant proportion of all overhead costs.

Each project or service has costs directly associated with it, such as the cost of staff, equipment and leadership cost.

Projects and services will also draw on the rest of an organisation ’s resources. For example, it might occupy some of a line manager’s time and have some impact on some central functions, such as finance and IT.

Although it is possible to identify direct costs and overhead costs separately, full cost recovery works on the premise that both direct costs and a relevant portion of overheads are integral to the delivery of a project or service.

**Why is full cost recovery important?**

Full cost recovery is important for both funders and those being funded. For third sector organisation s, it is about establishing sustainable funding that covers the true costs of delivery; for funders, it is about developing greater clarity around funding decisions and improving relationships with funded organisations, including charities, social enterprises and community interest companies.

The development of full cost recovery working supports organisations to work toward a greater level of sustainability.

**Resources and support**

Community Action Suffolk, funded by Suffolk County Council have commissioned Dot to Dot Training & Consultancy to deliver a programme of training and support for organisations wanting to adopt Full cost recovery working.

**Training offer**

The objective of this training session is to provide participants with a comprehensive understanding of full cost recovery principles and techniques. By the end of the session, participants should be able to calculate and apply full cost recovery methods to improve financial sustainability in their organisations.

The target audience is VCSEF organisations, leaders and those with financial responsibilities wanting to understand FCR better and work towards a more sustainable approach to income generation.

**Training dates and group zoom calls**

* 7th March- 9.30am for 10am start, finishing at 3.30pm at Brightspace, 160 Hadleigh Rd, Ipswich
* 24th April- 9.30am for 10am start, finishing at 3.30pm at Brightspace160 Hadleigh Rd, Ipswich
* 13th May- 10am -11am, VCFSE follow up session, Zoom
* 23rd May- 9.30am for 10am start, finishing at 3.30pm at East Suffolk Council,
* Riverside, Lowestoft
* 6th June- 9.30am for 10am start, finishing at 3.30pm at Brightspace, 160 Hadleigh Rd, Ipswich
* 24th June-10am -11am, VCFSE follow up session- Zoom
* 11th Sept-9.30am for 10am start, finishing at 3.30pm, venue TBC in West Suffolk
* 26th Sept- 9.30am for 10am start, finishing at 3.30pm at Brightspace, 160 Hadleigh Rd, Ipswich
* 16th October-10am -11am VCFSE follow up session Zoom

**Book your place** [here](https://www.communityactionsuffolk.org.uk/cas-events/list/)

**Joining instructions**

If you’re able please bring a laptop or tablet for particular activities but **not** essential

About Dot to Dot Training and Consultancy

Dot to Dot Training and Consultancy, founded in 2015 to specifically provide support to the VCSE Sector (Voluntary Community Social Enterprise). Dot to Dot support organisations to improve their effectiveness, demonstrating their social impact and training services form an integral element of the services offered.  Since founding Dot to Dot have supported over a hundred different organisations, providing expertise in full cost recovery and supporting organisations to achieve a greater level of sustainability.

About Simon Pickering

Simon Pickering runs to Dot to Dot Training and Consultancy. Simon has a long track record working within the youth, learning disabilities, arts and homeless sectors. Having worked in the VCSE sector for over 20 years, in a range of roles including commissioning for youth services at two local authorities and working for BBC Children in Need.

Simon has an extensive track record of supporting organisations to communicate their social impact and operate effectively. Simon has a significant fundraising background supporting organisations to be more effective and increase their income.



**Blog content (We can use this to promote the training or have it on the web page)**

Simon Pickering from Dot to Dot Training and Consultancy has written a blog to give some further insight and thoughts on full cost recovery.

**Achieving Sustainability: The crucial role of Full cost recovery**

Charities play a pivotal role in addressing societal challenges and fostering positive change. However, the journey toward sustainability for charitable or social enterprise organisations is exceptionally difficult to achieve.

One key strategy that can significantly contribute to achieving long-term viability for charities and social enterprises is the concept of full cost recovery. In this blog post, we will dig into why full cost recovery is vital tool for charities aiming to increase their overall sustainability.

Charities and social enterprises, by their nature, are mission-driven entities committed to making a positive impact on society.

While their primary focus is on delivering essential projects and services that addressing critical issues, the approach to financial planning and budgeting is equally important if an organisation is looking to make longer-term impact.

Full cost recovery refers to the practice of ensuring that all the direct and indirect costs associated with delivering projects and services are covered. This includes not only project expenses but also overhead costs, administrative expenses, and investments in organisational capacity to enable constant innovation and development.

One of the primary reasons why full cost recovery is essential for charities and social enterprises is its role in fostering financial stability. Many charities and social enterprises operate on tight budgets, relying heavily on grants, donations, and other external funding sources.

However, a micro focus on project-specific funding or service delivery budget often results in a neglect of necessary operational costs. By understanding and advocating for the full cost of delivering projects and services, charities and social enterprises can establish a more sustainable financial foundation.

Furthermore, embracing full cost recovery allows charities to accurately assess the impact of their project and services. When organisations allocate only a portion of their expenses to specific initiatives, the true cost and effectiveness of those projects or services may be obscured. With a comprehensive understanding of full costs, charities and social enterprises can make more informed decisions about resource allocation, measure outcomes more accurately, demonstrating their impact to stakeholders and funders.

In addition, to financial stability and impact measurement, full cost recovery also contributes to organisational resilience. Charities and social enterprises face various uncertainties, ranging from economic downturns to unforeseen situations.

The increased resilience from operating on a full cost recovery basis is crucial for charities to maintain their services and fulfill their missions over the long term, especially overcoming unforeseen circumstances.

Advocating for full cost recovery is not only about financial sustainability; it's also about fostering a culture of transparency and accountability. Donors, whether individuals or institutions, increasingly recognise the importance of supporting organisations that operate responsibly and transparently. Charities that openly communicate their full cost recovery practices demonstrate a commitment to responsible financial stewardship, thereby enhancing trust and credibility.

Moreover, achieving full cost recovery requires collaboration and dialogue between charities and their funders. Charities must actively engage with donors to educate them about the importance of covering the full cost of operations. By building awareness and understanding, charities can foster a more supportive funding environment that recognises the true expenses associated with delivering impactful projects and services.

In conclusion, the importance of full cost recovery for charities and social enterprises in becoming more sustainable cannot be overstated. It is a multifaceted approach that not only ensures financial stability but also enhances impact measurement, organisational resilience, and overall accountability.

As charities and social enterprises continue to navigate a complex funding landscape, adopting full cost recovery is a crucial step towards building more sustainable organisations.